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REMARKS

This Amendment is in response to the Office Action mailed on August 3, 2005. In the Office Action, claims 1-13, 15, 20-41 and 46-49 were rejected and claims 42-45 were objected to, but contain allowable subject matter. The Applicant appreciates the Examiner's indication of allowable subject matter. With this Amendment, claims 15, 31, 43 and 44 are amended and claim 42 is canceled. All remaining claims are unchanged.

35 U.S.C. §102 Claim Rejections

I. Claims 15, 20-21, 24-25, 27, 31, 33, 35, 40 and 47 were rejected under 35 U.S.C. §102(b) as being anticipated by Inagaki et al. (U.S. Patent No. 5,532,724). It is respectfully submitted that Inagaki et al. fails to teach or suggest all of the elements of amended independent claims 15 and 31.

Claim 15 has been amended to positively clarify the desired order of steps to be performed as suggested in the Office Action. Therefore, claim 15 is in condition for allowance as well as claims 21-22, 24-25 and 27, which depend from allowable base claim 15.

Claim 31 has been amended to incorporate elements of allowable claim 42. Accordingly, claim 42 has been canceled. Claim 31 is in condition for allowance as well as claims 33, 35, 40 and 47, which depend from allowable base claim 31.

II. Claims 31-33 were rejected under 35 U.S.C. §102(b) as being anticipated by Ando et al. (JP 9-300675). Since claim 31 has been amended to incorporate elements of allowable claim 42, it is respectfully submitted that this rejection can be withdrawn. Claim 31 is in condition for allowance as well as claims 32 and 33, which depend from allowable base claim 31.

III. Claims 1, 4-5, 15 and 22-23 were rejected under 35 U.S.C. §102(e) as being anticipated by Vaidya et al. (U.S. Publication No. 2002/0012773). In rejecting claim 1, the Examiner found that Vaidya et al. discloses "removing a backing layer from the ink-receptive layer". Moreover, the Examiner interprets the "backing layer" of Vaidya et al. as including not only the carrier substrate 1, but the absorptive layer 2 and a portion of the transferable skin 3. The Examiner also

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interprets only a portion of transferable skin 3 as the claimed "ink-receptive layer". Applicant respectfully believes that the Examiner's interpretation of Vaidya et al. is unreasonable in light of the Specification.

Anticipation of a claimed invention requires the disclosure in a single prior art reference of each element of the claim under consideration. *W. L. Gore & Assocs. V. Garlock*, 721 F.2d 1540, 220 USPQ 330, 313 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). It is not enough, however, that the prior art reference disclose all the claimed elements in isolation. Rather, as stated by the Federal Circuit, "[a]nticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." *Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1984) (citing *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 220 USPQ 193 (Fed. Cir. 1983)). Additionally, the Federal Circuit has indicated that "[i]n deciding the issue of anticipation, the trier of fact must identify the elements of the claims, determine their meaning in light of the specification and prosecution history, and identify corresponding elements disclosed in the allegedly anticipating reference." *Id.*, 221 USPQ at 485.

As described in the present application, the backing layer is a clear or opaque material (e.g. PET, PVC, etc.) (see paragraph 5). A more reasonable interpretation of Vaidya et al. in light of the specification of the present application is that carrier substrate 1 corresponds to the claimed "backing layer". In Vaidya et al., carrier substrate 1 is defined as "a porous or nonporous film or sheet . . . to provide dimensional stability to the transferred image during printing and transfer and to be removable without tearing following the lamination of the image to the final substrate". (see paragraph 27). In fact, this interpretation is consistent with the Examiner's initial interpretation of the reference, in which the Examiner interpreted the Vaidya et al. reference as "providing an ink-receptive material including a backing layer 1 and an ink receptive coating 10". Applicant submits that the Examiner's present interpretation of the claim language without regard to the specification or the plain meaning of the claim language as understood by those skilled in the art is improper.

In accordance with the above discussion, Vaidya et al. fails to teach or suggest "removing a backing layer from the ink-receptive coating" as claimed in claims 1 and 15. Rather, in FIG.

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1C, the receptive layer is only partially transferred to a substrate. The remaining portion of the receptive layer remains with the carrier substrate.

Claims 1 and 15 are therefore in condition for allowance. In addition, claims 4, 5 and 22-23 are also in condition for allowance as depending on allowable base claim 1 and allowable base claim 15.

35 U.S.C. §103 Claim Rejections

I. Claims 1-3, 6-9, 13, 46 and 48-49 were rejected under 35 U.S.C. §103(a) as being unpatentable over Inagacki et al. in view of Kosaka et al. (U.S. Publication No. 2004/0125187). On page six of the Office Action, the Examiner states that "while Inagacki et al. depicts an instance in which a card member is not completely covered in FIG. 22, the disclosed device is capable of completely covering the card surface if an image that is desired to be printed also does so". The Examiner turns to Kosaka et al. as teaching an ink receptive layer that completely covers the surface of a card.

The Federal Circuit has stated, "virtually all [inventions] are combinations of old elements." Environmental Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed. Cir. 1983). The Federal Circuit has also found that rejecting patents solely by finding prior art corollaries for the claimed elements would permit an Examiner to use a claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention, which would be "an illogical and inappropriate process by which to determine patentability." Sensonic, Inc. v. Aerosonic Corp., 81 F.3d 1566, 1570, 38 USPQ2d 1551, 1554 (Fed. Cir. 1996). Accordingly, even seemingly simple changes require a finding of a suggestion in the prior art to make the modification to avoid the improper use of hindsight. In re Gordon, 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984).

Applicant respectfully submits that even if Inagacki et al. could be modified to bond the entire image transfer layer and not just the image transfer layer that contains the ink layer, as suggested by the Examiner, the Examiner has failed to provide sufficient motivation for the modification. The finding that "forming an ink-receptive card substrate for the aesthetic advantage of providing an image over the entire surface of the card" is not supported by either

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reference. As a result, the Examiner is forced to rely on the teachings of Applicant's disclosure to discern the "obviousness" of the invention. Such use of hindsight is improper. *In re Lee*, 61 USPQ2d 1430 (Fed. Cir. 2002) ("It is improper, in determining whether a person of ordinary skill in the art would have been led to this combination of references, simply to '[use] that which the inventor taught against its teacher.'") (quoting *W.L. Gore v. Garlock, Inc.*, 220 USPQ 303, 312-13 (Fed. Cir. 1983)).

It is respectfully submitted that claim 1 is in condition for allowance. In addition, claims 2-3, 6-9, 13, 46 and 48-49 are also in condition for allowance as depending on allowable base claim 1.

II. Claims 26 and 38 were rejected under 35 U.S.C. §103(a) as being unpatentable over Inagacki et al. Claims 26 and 38 are in condition for allowance as depending on allowable base claim 15 and 31.

III. Claim 10 was rejected under 35 U.S.C. §103(a) as being unpatentable over Inagacki et al. in view of Kosaka et al. and further in view of Lyszcza (U.S. Patent No. 4,897,533). It is respectfully submitted that this rejection be withdrawn. Claim 10 is in condition for allowance as depending on allowable base claim 1.

IV. Claims 29-30 were rejected under 35 U.S.C. §103(a) as being unpatentable over Inagacki et al. in view of Conner et al. (U.S. Patent No. 2004/0135241). It is respectfully submitted that this rejection be withdrawn. Claims 29-30 are in condition for allowance as depending on allowable base claim 15.

V. Claims 11-12 were rejected under 35 U.S.C. §103(a) as being unpatentable over Inagacki et al. in view of Kosaka et al. and further in view of Conner et al. It is respectfully submitted that this rejection be withdrawn. Claims 11-12 are in condition for allowance as depending on allowable base claim 1.

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VI. Claims 31, 33, 34, 37, 39 and 40 were rejected under 35 U.S.C. §103(a) as being unpatentable over Hashiba et al. (JP 2002307874) in view of Vaidya et al. It is respectfully submitted that this rejection be withdrawn. As discussed above, claim 31 is in condition for allowance. Claims 33, 34, 37 39 and 40 are also in condition for allowance as depending on allowable base claim 31.

VII. Claims 35-36 were rejected under 35 U.S.C. §103(a) as being unpatentable over Ando. It is respectfully submitted that this rejection be withdrawn. Claims 35-36 are in condition for allowance as depending on allowable claim 31.

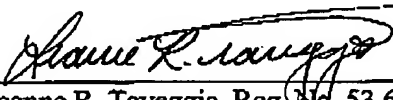
VIII. Claim 41 was rejected under 35 U.S.C. §103(a) as being unpatentable over Inagacki et al. in view of Vaidya et al. It is respectfully submitted that this rejection be withdrawn. Claim 41 is in condition for allowance as depending on allowable claim 31.

It is respectfully submitted that all pending claims are in condition for allowance. Favorable action is respectfully requested.

The Director is authorized to charge any fee deficiency required by this paper or credit any overpayment to Deposit Account No. 23-1123.

Respectfully submitted,

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